

UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Washington, D.C.

In the Matter of:

REGINA BAILEY WOODS,

Respondent.

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DOCKET NO. 07-3430-DB

DEBARRING OFFICIAL'S DETERMINATION

INTRODUCTION

By Notice dated June 8, 2007 ("Notice"), the Department of Housing and Urban Development ("HUD") notified Respondent REGINA BAILEY WOODS that HUD was proposing her debarment from future participation in procurement and nonprocurement transactions as a participant or principal with HUD and throughout the Executive Branch of the Federal Government for an indefinite period from the date of her suspension – September 14, 2005. HUD advised defendant in the June 8, 2007, Notice that the proposed debarment and continuation of her suspension was in accordance with the procedures set forth in 24 CFR part 24. Further, the Notice informed Respondent that the proposed debarment was based upon her criminal conviction in the United States District Court, Eastern District of North Carolina, of Conspiracy to Commit Identity Theft, Wire Fraud, False Entries, False Statements, Conspiracy to Commit Money Laundering, Money Laundering, and Aiding and Abetting. A jury found Respondent guilty of the 32 counts involving the offenses set forth above that were charged in the indictment.

In summary, and as more fully detailed in the indictment, Respondent and her coconspirators “engaged in an extensive scheme to create false mortgages and use these fake mortgages to defraud the government and investors out of more than one million dollars.” For her conviction on the 32 offenses, Respondent was sentenced to a 24-month prison term, placed on five years’ supervised release, and ordered to pay \$1,251,727.00 in restitution to HUD.

A telephonic hearing on Respondent's proposed debarment was held in Washington, D.C. on November 14, 2007, before the Debarring Official's Designee, Mortimer F. Coward. Respondent, though properly notified, did not appear at the hearing. Michael Milner, Esq. appeared on behalf of HUD.

Summary

I have decided, pursuant to 24 CFR part 24, to debar Respondent from future participation in procurement and nonprocurement transactions, as a participant, principal, or contractor with HUD and throughout the Executive Branch of the Federal Government, for an indefinite period commencing from the date of her suspension, September 14, 2005. My decision is based on the administrative record in this matter, which includes the following information:

- (1) The Notice of Proposed Debarment and Continuation of Existing Suspension dated June 8, 2007.
- (2) An indictment filed May 11, 2005, charging Respondent and others with committing the offenses detailed above.
- (3) A Judgment in a Criminal Case filed April 30, 2007, recording Respondent's conviction and sentencing.
- (4) Respondent's letter of July 3, 2007, to the docket clerk objecting to her proposed debarment.
- (5) The Government's brief filed October 24, 2007 (including all exhibits and attachments thereto).
- (6) The tape recording of the November 14, 2007, proceedings.

HUD's Arguments

HUD argues that as a former owner of an FHA approved mortgagee, Respondent was involved in a covered transaction, thus making her a participant in HUD programs and subject to debarment if cause exists. HUD adds that Respondent's conviction provides the cause and basis for her debarment in accordance with 24 CFR part 24. HUD argues that Respondent's "fraudulent acts indicate a lack of business integrity or business honesty that seriously affects her present responsibility," citing 24 CFR 24.800(a)(4). HUD concludes that Respondent, by her actions, has demonstrated that she is not trustworthy. Accordingly, an indefinite debarment is necessary to protect the public interest and the Department from Respondent's lack of integrity and dishonest behavior.

Respondent's Arguments

Respondent did not appear at the hearing. In her July 3, 2007, letter to the debarment clerk, Respondent stated that she has "no objection to the continued suspension" but does "object to the debarment." The Debarring Official's Designee received no other submission or communication from Respondent.

Findings of Fact

1. Respondent was a participant in a covered transaction.
2. Respondent was found guilty of several criminal offenses.
3. Respondent did not appear at her hearing.
4. Respondent offered no evidence or information that could be considered by

- the Debarring Official's Designee in mitigation of her illegal actions.
5. Respondent was sentenced to 24 months' imprisonment, placed on probation for five years, and ordered to pay restitution of \$1,251,727.00.

Conclusions

Based on the above Findings of Fact, I have made the following conclusions:

1. Respondent was a participant in a covered transaction as defined in 24 CFR part 24.
2. Respondent's conviction for the criminal offenses she committed serves as the basis for her debarment pursuant to 24 CFR 24.800.
3. Respondent's criminal acts show that she is not trustworthy and responsible.
4. The seriousness of Respondent's acts warrants her indefinite debarment.
5. Respondent presented no information or facts in mitigation of her criminal conduct, or that could have been considered in imposing a debarment of shorter duration than the proposed indefinite debarment.
6. HUD has a responsibility to protect the public interest and take appropriate measures against participants whose actions may affect the integrity of its programs.
7. HUD cannot effectively discharge its responsibility and duty to the public if participants in its programs fail to act with honesty and integrity.

DETERMINATION

Based on the foregoing, including the Findings of Fact, Conclusions, and the administrative record, I have determined to debar Respondent for an indefinite period from September 14, 2005, the date of her suspension. In accordance with 24 CFR 24.870(b)(iv), Respondent's "debarment is effective for covered transactions and contracts that are subject to the Federal Acquisition Regulation (48 CFR chapter 1), throughout the executive branch of the Federal Government unless an agency head or an authorized designee grants an exception."

Dated: _____

12-7-07



Henry S. Czauski
Debarring Official